

## Message Text

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ORIGIN ARA-14

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ARA/CAR:JGRIFFITH (DRAFT)  
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R 181903Z MAY 78  
FM SECSTATE WASHDC  
TO AMEMBASSY NASSAU

C O N F I D E N T I A L STATE 126562

E.O. 11652: GDS

TAGS: EAID, MARR, BH, ECON, EINV, ENGR

SUBJECT: FOLLOW-UP TO BAHAMIAN ECONOMIC COOPERATION TALKS

REFS: (A) GARNER/PIERCE TELCON, 4/18/78, (B) NASSAU 549,  
(C) NASSAU 874, AND (D) NASSAU 856

1. DEPARTMENT APPRECIATES GARNER'S PROVISION OF FOLLOW-UP  
INFORMATION ON THE INTERNATIONAL EXECUTIVE SERVICE CORPS  
TO THE GCOB (REF. A). WE ASSUME NO ADDITIONAL RESPONSE TO  
BAIN REQUEST IS NECESSARY, PARTICULARLY IN VIEW OF VISIT  
OF IESC VICE PRESIDENT CARLEBACH SINCE ECONOMIC COOPERATION  
TALKS.

2. ADDITIONAL INFORMATION ON POSSIBILITY OF HOUSING  
INVESTMENT GUARANTEES AND OPIC PROGRAMS FOR SMALL BUSINESSES  
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WILL FOLLOW IN SEPARATE TELEGRAM. BOTH ISSUES ARE COMPLI-  
CATED AND WILL REQUIRE FURTHER STUDY AND DECISIONS HERE.

3. THE DEPARTMENT IS CONSIDERING TWO FORMULATIONS FOR THE  
UNDERSTANDING ON ECONOMIC COOPERATION THAT BAHAMIANS  
REQUESTED: A UNILATERAL STATEMENT ALONG THE LINES OF THE  
BAIN PROPOSAL IN REF. B (SUGGESTED TEXT IN PARA. 4 BELOW)

OR A JOINT MEMORANDUM OF UNDERSTANDING, INCLUDING AN ELEMENT OF RECIPROCITY (SUGGESTED TEXT PARA. 5 BELOW).

A. THE FORMER COULD BE INCLUDED IN A LETTER OR SPEECH BY A HIGH-LEVEL MEMBER OF THE ADMINISTRATION OR IN A DIPLOMATIC NOTE. IT WOULD, HOWEVER, STRESS THE U.S. ROLE AS DONOR AND THE BAHAMIAN ROLE AS RECIPIENT, FOCUSING ATTENTION ON THE INEQUALITIES OF POWER AND STATUS AND POSSIBLY UNDERCUTTING THE FRAGILE SENSE OF BAHAMIAN POLITICAL EQUALITY WITH THE U.S. AS A SOVEREIGN STATE.

B. A JOINT MEMORANDUM WOULD OVERCOME THAT POSSIBLE DEFECT AND COULD PROVIDE U.S. WITH SOME POSITIVE POTENTIAL BENEFIT AS A BASIS, FOR INSTANCE, FOR RAISING ISSUES SUCH AS ACCESS TO THE SPINY LOBSTER FOR CUBAN-AMERICAN FISHERMEN. IT WOULD ALSO BE CONSISTENT WITH THE VERY REAL POLITICAL FACT THAT SOMETIMES DIFFICULT DOMESTIC TRADE-OFFS ARE INVOLVED IN COOPERATION OF INTEREST TO THE GCOB.

4. UNILATERAL STATEMENT. BEGIN TEXT.

THE UNITED STATES, RECOGNIZING THE EXCEPTIONALLY CLOSE AND FRIENDLY RELATIONSHIP AND INTERDEPENDENCE IT HAS WITH THE BAHAMAS, WILL MAKE ITS BEST EFFORTS WITHIN THE LIMITS OF ITS LEGAL AND INSTITUTIONAL POSSIBILITIES TO ASSIST THE BAHAMAS TO DEVELOP ITS ECONOMY ACCORDING TO ITS PRIORITIES  
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AND TO SEEK MEANS TO BRING ABOUT AND MAINTAIN AN ATMOSPHERE OF CONTINUING COOPERATION THAT COULD ASSIST IN ACHIEVING LONG-TERM BAHAMIAN ECONOMIC VIABILITY. END TEXT.

5. JOINT MEMORANDUM OF UNDERSTANDING. BEGIN TEXT.

THE GOVERNMENT AND PEOPLES OF COMMONWEALTH OF BAHAMAS AND OF THE UNITED STATES OF AMERICA SHARE A LONG HISTORY OF WARM RELATIONS AND CLOSE ASSOCIATIONS. AS CLOSE NEIGHBORS, THEY SIGNIFICANTLY AFFECT EACH OTHER'S WELL-BEING AND LIVELIHOOD IN IMPORTANT WAYS.

OVER THE YEARS A RELATIONSHIP OF MUTUAL RESPECT AND HELPFULNESS APPROPRIATE TO CLOSE NEIGHBORS HAS EVOLVED. IT INCLUDES, BUT IS NOT LIMITED TO, FULL RESPECT FOR THE COMPLETE SOVEREIGNTY OF EACH GOVERNMENT WITHIN ITS OWN JURISDICTION.

A SUBSTANTIAL VOLUME OF TRADE AND TOURISM FLOWS EACH YEAR BETWEEN THE TWO COUNTRIES, SO MUCH SO THAT THE ECONOMIES OF THE BAHAMAS AND OF SOUTHERN FLORIDA HAVE DEVELOPED EXTENSIVE COMPLEMENTARY LINKAGES. OTHER MUTUALLY HELPFUL

LINKS BETWEEN THE BAHAMAS AND THE UNITED STATES HAVE DEVELOPED IN AREAS SUCH AS EDUCATION, SPORTS, SECURITY, LAW ENFORCEMENT, AND MARITIME SAFETY.

THIS JOINT MEMORANDUM OF UNDERSTANDING TESTIFIES TO THE DESIRE OF BOTH GOVERNMENTS TO CONTINUE TO BUILD SUCH MUTUALLY SUPPORTIVE LINKAGES. FOR ITS PART, THE GOVERNMENT OF THE UNITED STATES WILL, WITHIN THE LIMITS OF ITS LAWS AND INSTITUTIONAL POSSIBILITIES, MAKE ITS BEST EFFORTS TO HELP THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS TO DEVELOP ITS ECONOMY ACCORDING TO ITS OWN PRIORITIES TOWARD THE GOAL OF LONG-TERM ECONOMIC VIABILITY. THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS PLEDGES ON ITS SIDE TO SEEK MEANS TO EXPAND AREAS OF COOPERATION TO  
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THE MUTUALLY BENEFIT OF THE ECONOMIES OF THE BAHAMAS AND OF SOUTHERN FLORIDA. END TEXT.

6. IN EITHER CASE, IN CONSULTATIONS WITH THE GCOB, WE WILL EXPLAIN THAT OUR INTENTION IS NOT TO CREATE SPECIAL PROGRAMS FOR THE BAHAMAS BUT TO ENSURE THEM FAIR CONSIDERATION WHEN DETERMINING ACCESS TO EXISTING U.S. PROGRAMS AND IN APPLICATION OF POLICIES RELEVANT TO BAHAMAS. WE WILL NOT, OF COURSE, BE ABLE TO GUARANTEE THAT THERE WILL BE NO USG DECISIONS THAT WILL BE PERCEIVED AS DAMAGING TO THE BAHAMAS. WE WILL, HOWEVER, HEAR THEIR VIEWS AND TAKE THEIR INTERESTS INTO CONSIDERATION.

7. EMBASSY COMMENTS ARE INVITED ON ALTERNATIVE APPROACHES, TEXT, AND APPROPRIATE TIMING OF CONSULTATIONS WITH GCOB ON ANY UNDERSTANDING. ADDERLEY'S "TURN-AROUND" REPORTED REF. C RAISES QUESTION OF WHETHER FURTHER ECONOMIC TALKS ARE NECESSARY BEFORE NEXT STAGE OF MILITARY FACILITIES AND MARITIME NEGOTIATIONS, SINCE INITIATION OF ECONOMIC TALKS WAS IN RESPONSE TO ADDERLEY'S INSISTENCE THAT THEY PRECEDE BASE NEGOTIATIONS. WE ALSO WOULD APPRECIATE YOUR COMMENTS ON APPROPRIATE LEVEL OF SUCH CONSULTATIONS IF AND WHEN THEY TAKE PLACE. DEPUTY ASSISTANT SECRETARY ARELLANO HAS NO PRESENT PLANS TO VISIT NASSAU. VANCE

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## Message Attributes

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